

FINANCIAL HARDSHIP POLICY Policy statement

The City of Whittlesea is committed to providing support to those in our community that are experiencing genuine financial hardship and are having difficulty meeting their financial obligations to Council. This policy ensures that regardless of their circumstances our community will face no judgement, and will be treated with understanding, dignity, and respect. Financial Hardship support will help reduce additional penalties and costs that are being incurred by those in the community that can least afford them. Council is committed to continual improvement through our learning, working with our partners and experts in the field of financial vulnerability.

For this policy to be successful it requires the co-operation of both parties to communicate with each other openly and honestly.

Purpose

The Financial Hardship Policy aims to:

- Provide a mechanism that enables our community to feel comfortable and supported when approaching Council to discuss their financial circumstances.
- Encourage a proactive approach in identifying and assisting those experiencing financial hardship.
- Encourage and support access to legal, welfare and financial counselling support services.
- Reduce the number of instances referred to Council's debt collection agency and Court actions taken to recover debts owed to Council.
- Enable more appropriate ways for Council to seek payment other than through the legal system.

Context

- Council strives to implement best practice for the collection of revenue by offering multiple payment options, including flexible payment plans, for people that may be experiencing financial hardship.
- Council recognises that managing instances of financial hardship is a shared responsibility and we are committed to working with our customers to support those experiencing financial hardship in a supportive and respectful manner.
- Council is reliant on the timely collection of revenue to ensure adequate provision of services and capital works projects.

Scope

- This policy applies to all ratepayers' principal place of residence in the City of Whittlesea. Other property type owners may apply for the provisions under this policy in limited circumstances at the discretion of Council. In particular, the policy applies to those ratepayers who have been identified, either by themselves, Council Officers or by an

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independent accredited financial counsellor, as having the intention to pay their rates, but who do not have the financial capacity to make the required payments.

- This policy applies to revenue included on the rate notice (rates, waste charges, fire services property levy, legal costs, interest, and other relevant charges) and/or property charges on a debtor invoice.

Alignment to Whittlesea 2040

The Financial Hardship Policy primarily guides Council's work toward the following Goal as outlined in Whittlesea 2040: A place for all: *Connected Community: 'We work to foster and inclusive, healthy, safe and welcoming community where all ways of life are celebrated and supported'.*

This policy enables the achievement of a Connected Community by providing access to economic services, relief and resources which is one of the fundamental causes of negative health and wellbeing outcomes.

Overarching Governance Principles

The development of this Policy considered the *Local Government Act 2020's* Overarching Governance Principles and the following were applied:

Community engagement	<input checked="" type="checkbox"/>	Best community outcome	<input checked="" type="checkbox"/>
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Community engagement: This Policy has been developed following consultation with key local community health and welfare agencies, and engagement with special interest groups.

Best community outcome: This policy has been focused on achieving positive and equitable community outcomes by reducing harm of disadvantage and hardship.

Gender Equality, Climate Change, Human Rights and Child Safe Compliance All City of Whittlesea policies comply with the *Victorian Charter of Human Rights and Responsibilities, Gender Equality Act, Climate Change Act* and the *Child Safe Standards*.

1. Policy

Whilst Council is unable to waive the entire rates portion, we can offer various other avenues of support for those experiencing financial hardship. It is solely at Council's discretion to approve any of the following avenues of support based on the customer's application.

1.1 Payment Plans

When a property owner has outstanding payments, they may apply to make payments over time that falls outside the due dates. While the payment plan is maintained by the property owner, all interest and/or legal action will be put on hold.

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Council frequently approves payment plans with property owners; this form of assistance is not categorised as financial hardship under this policy. In these circumstances, Council's Strategic Revenue Team will monitor progress towards clearing the debt within a specified time. If the debt is not cleared, further assistance may be considered.

1.2 Deferral

A deferment of rates and/or charges is a postponement of payment in whole or in part and can be for a specified period and is subject to any conditions determined by Council's Strategic Revenue Team. All applications for deferrals, should be urged to continue to make payments as they are able.

1.3 Waivers of interest and debt collection costs

- a) If an applicant does not qualify for financial hardship, they may still apply for an interest waiver, however their circumstances must satisfy one of the following reasons:
 - i) Interest charges were caused by Council error
 - ii) Exceptional circumstances.
- b) Non-receipt of a rate notice, travelling overseas, forgetfulness, failure to contact Council's Strategic Revenue Team prior to the due date advising of financial difficulty, a failure to advise of a change of residential or mailing address in writing, or previous payment plans not being maintained are not deemed to be exceptional circumstances.
- c) Applications that do not meet the criteria listed in 1.3 (a) will be rejected.

1.4 Partial waiver of rates

- a) A ratepayer may apply to Council once during the current policy period, for a waiver of their debt to a maximum of \$500, subject to the following conditions:
 - i) the property is the owner's principal place of residence;
 - ii) the owner provides evidence of severe financial hardship as certified by an assessment carried out by an independent financial counsellor; and
 - iii) an application is submitted to Council by the person or their representative providing evidence of such circumstances.
- b) Financial hardship support under this policy is given on a "once off" basis and is not meant to be provided as a continuous source by Council.

1.5 Referral

Referral to other financial assistance programs that might be available, or referral to appropriate external support services (family violence and financial hardship).

1.6 Delegation

The Chief Executive Officer (CEO) has the delegated power to provide waivers of interest and debt collection costs or empower appropriate members of staff to make decisions on behalf of the CEO.

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2. Eligibility assessment and application

- 2.1 All applicants are assessed on a case-by-case basis to determine a mutually agreeable solution tailored to the customer's circumstances. Council's Financial Hardship Officer will support our community through the application process. The information requested to support an application will be commensurate with the level of support being sought and subject to the full discretion of Council.
- 2.2 Council can only extend the full support of this policy when the required documentation has been submitted to Council.
- 2.3 To extend a meaningful level of support to genuine hardship applicants, investment properties and/or applicants with significant assets are not eligible under this policy. If a case has been identified by Council as having exceptional circumstances, this may be considered in limited application under this policy.

3. Definition of Financial Hardship

3.1 Financial hardship refers to difficulty meeting everyday living expenses. It may lead to debt accumulation and financial exclusion, where an individual lacks access to appropriate and affordable financial services and products, such as transaction accounts, insurance, and credit. A person is in serious financial hardship when they are unable to provide the following for themselves, their family or other dependents:

- food
- accommodation
- clothing
- health care
- transport costs
- education
- other basic necessities

3.2 Council acknowledges the following group(s) as the some of the most vulnerable within our community:

- people impacted by family violence
- people impacted by addiction
- low income and sole parent families
- those with refugee status
- people receiving income support pensions from Centrelink

3.3 Some of the indicators that may highlight a community members' need for additional assistance are listed below:

- a history of frequent requests for payment plans that have not been met.
- unable to afford the costs of current financial obligations, even if smoothed over a 12-

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month period.

- a payment history that indicates a difficulty in meeting their financial obligations to Council
- in receipt of Government funded concessions (Health Care Card, Centrelink Pension)
- sudden change of circumstances that adversely affects their financial capacity to pay.
- referral from a financial counselling agency or community organisation
- asylum seekers or refugees who have limited access to financial stability.
- people experiencing prolonged physical and mental health issues.
- having a low level of income, that is unlikely to change.

3.4 The following will also be considered when assessing granting assistance under this policy:

- the applicant has displayed a history of attempting to pay the debt to Council.
 - the applicant has initiated contact with Council to discuss the debt.
 - the applicant is experiencing any of the identified compassionate grounds as follows;
- **Family violence*** – when a person identifies themselves as a victim of family violence.
 - **Family breakdown** – when a person is currently separating from their spouse or partner.
 - **Medical treatment** - when a person needs to pay for medical treatment for themselves or dependents.
 - **Mortgage stress** – when a person needs to prevent their home from being sold by a lender.
 - **Exceptional circumstances** – when a person attends to spending caused by events or circumstances outside of their control. This could be wide and varied and will be considered on a case-by-case basis.

****Family violence** - Any instance where a person is identified as being affected by family violence, the person will be referred to Councils' Financial Hardship Officer to be case managed, no legal action or additional debt recovery cost will be incurred during this process. The Financial Hardship Officer undertakes ongoing training specifically on family violence. This is due to the complexity and sensitive nature of the person's circumstances and the possible increased risk to their safety. Council has an internal process to ensure their details are managed with the highest degree of privacy and sensitivity.*

Definitions

Term	Definition
Applicant	Entity requesting support under this policy
Council	Whittlesea City Council, constituted as a municipal Council under the Local Government Act 2020
Council Officer	Chief Executive Officer and staff of Council appointed by the Chief Executive Officer, holding an appropriate delegation
Debt	An amount owed to Council
Debtor	Any person, corporation, business or other entity owing money to Council
Low income	Low income as defined by the current federal guidelines
Payment Plan	A formalised arrangement with a property owner or authorised contact that stipulates the amount and frequency of payments with a stated expiry or review date
Principal place of residence	The residential property that the ratepayer lives in
Ratepayer	The entity responsible for paying rates
Strategic Revenue Team	Council Department responsible for collecting rates